

FAIR PRACTICES CODE

Introduction:

Finaleap FinServ Private Limited (hereafter referred to as "Finaleap" or "the Company") is a private limited company incorporated under the Companies Act, 2013 and registered with the Reserve Bank of India as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company.

Finaleap is in the business of providing loans to micro, small, and medium-sized company owners who have limited access to mainstream financial institutions.

This Code was formulated in accordance with the Reserve Bank of India's (RBI) Guidelines on Fair Practices Code for Non-Banking Financial Companies issued in its Master Circular bearing No RBI/2014-15/34 DNBS (PD) CC No.388/03.10.042/2014-15 dated 1st July 2014, wherein the Reserve Bank of India (RBI) summarized the guidelines on Fair Practices Code for NBFCs and in accordance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time

This establishes the Company's minimal Fair Practice standards when dealing with consumers. It informs clients and explains how the Company is supposed to interact with them on a daily basis.

This policy applies to all customers, including those who have expressed complaints or inquiries on social or other media, and we urge all customers to use the platforms listed below as needed.

This Policy is made available to the general public on the Company's website.

Objective:

The code was created with the following goals in mind:

- Developing, educating, and implementing a Fair Practices Code to ensure fair practices while interacting with customers.
- More transparency allows customers to gain a better understanding of the product and make more educated selections.
- Increasing client trust in the organization by establishing a system for obtaining continuous feedback and complaints from customers.

Operating Guidelines:

A) Applications for Loans and their processing

- Finaleap official language for all communications within the Company or with third parties shall be English.

- All communications with the borrower must be in English or in the vernacular language / the language that the borrower understands and confirms.

- The Company primarily provides short- and medium-term financing to small and medium enterprises engaged in manufacturing, services, and agriculture, as well as self-employed professionals, salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporate, and individuals, with or without the security of residential, commercial, or vacant land property or any other adequate security.

- Finaleap's 'Application Form with Document Checklist' will include all information and documents that the Borrower is expected to provide. Finaleap will provide the necessary information to allow the Borrower to make a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and make an informed decision based on the comparison.

- Finaleap has a system in place to acknowledge the receipt of an application form from a borrower seeking a loan. Finaleap would notify the Borrower of its decision within a reasonable time of the date of the decision.

B) Loan appraisal and terms/ conditions

- Finaleap shall communicate in writing to the borrower the amount of loan / limit sanctioned, as well as all terms and conditions, including annualized rate of interest and method of application, in English or in vernacular language / the language as understood and confirmed by the borrower, by way of a sanction letter or otherwise, and shall keep the borrower's acceptance of these terms and conditions on Finaleap's record.

- Any section in the Loan Agreement referring to penal interest levied for late repayment will be highlighted in bold.

- Finaleap will provide a copy of the loan agreement to the borrower when the loan is sanctioned or disbursed

- Finaleap ensures to convey and explain in detail all the terms and conditions of Sanction letter, agreement etc., in the language preferred by the customer.

C) Disbursement of loans including changes in terms and conditions.

- Finaleap will notify its Borrower(s) of any modification in the terms and circumstances of the penalty via its published website or as applicable if unique to a client. Finaleap will also make sure that any interest rate, price, or charge modifications are only made prospectively.

- Any decision to recall/ accelerate payment or performance under the Agreement shall be made in accordance with the loan agreement in question.

- Finaleap will release all securities of its Borrower only upon repayment of all dues or realization of the outstanding amount of the Borrower's availed limit, subject to any valid right or lien Finaleap may have against its Borrower for any other claim. If the Borrower's right of setoff is exercised, the Borrower will be notified, together with complete details on the outstanding claims and the conditions under which Finaleap will be entitled to keep the securities until the relevant claim is settled or paid by the Borrower. Due to the customer's compliance with the terms, a no-objection certificate will be issued within 15 working days of the formalities being completed.

General:

- Finaleap will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of Finaleap).
- In case of receipt of request from the Borrower for transfer of Borrowal account, the consent or otherwise i.e. objection of Finaleap, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- In the matter of recovery of outstanding dues of its Borrower, Finaleap does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.
- At present, the company does not have floating rate term loans, if the company introduces such a product in the future, the company as a policy shall not charge foreclosure charges/pre-payment penalties on the floating rate term loans sanctioned to its individual borrowers.
- Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, Finaleap has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances. The Interest Rate Policy also covers the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers and same is displayed on the website of the Company, www.finaleap.com

Grievance Redressal Mechanism:

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At Finaleap, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Finaleap has come up with a lot of initiatives that are oriented towards providing a better customer experience

and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make Finaleap's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulation.

Grievance redressal framework for handling customer complaints / grievances:

A) Stage 1 – Grievance Redressal at Branch level

The customer may register his/her query/ complaint to Finaleap which shall be addressed by the Branch Manager by email or through phone. The customer can also personally visit the branch office and make the complaint in writing to the Branch Manager in the complaint register available in the branch. On registering the complaint customer shall be provided a Reference number for the complaint lodged with Finaleap for future correspondence.

B) Stage 2 - Grievance redressal framework at Head Office

If the customer is not satisfied with resolution provided by the local branch office, the customer may provide feedback or send in their complaint using the following channels between **9:00 am and 5.00 pm, from Monday to Friday (except on national holidays)**

- Call our Customer Care Helpline on +912029517282
- Email us at customercare@finaleap.com
- Write to us at the below mentioned address:

**CUSTOMER CARE DEPARTMENT
FINALEAP FINSERV PRIVATE
LIMITED
O-206 GREENS CENTER OPP PUDUMJEE PARK NEAR ADITYA BIRLA
HOSPITAL THERGAON, CHINCHWAD, PUNE-411033**

C) Stage 3 - Escalation

In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Complaints Redressal Officer.

The name and contact details of the Complaint Redressal Officer is as follows:

**MR. SHIVPRASAD KESARE
FINALEAP FINSERV PRIVATE LIMITED
O-206 GREENS CENTER OPP PUDUMJEE PARK NEAR ADITYA BIRLA HOSPITAL THERGAON,
CHINCHWAD, PUNE-411033
Email id –headcustomercare@finaleap.com**

We assure a response to letters / emails received through this channel within 5 working days at every stage. If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non Banking Supervision of

RBI under whose jurisdiction the Registered Office of the Finaleap falls. The details of DNBS are as given below General Manager, Department of Non-Banking Supervision, Reserve Bank of India, Fort , Mumbai.

D) Mandatory display requirements

Finaleap has the following in all our Regional Offices and branches:

- Fair Practices Code
- Appropriate arrangement for receiving complaints and suggestions.
- Display of the name, address and contact number of the Complaint Redressal Officer. The process of the complaint's redressal unit will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

E) Time frame

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, Finaleap will endeavor to send an acknowledgement / response within a week. Once the matter is examined, Finaleap endeavors to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

The communication of Finaleap's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by Finaleap in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

Regulation of Excessive Interest Charged:

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.

The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.

The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to the account.

The Fair Practices Code has been reviewed and adopted by the Board of Directors on 21st May 2022 and shall come into force with immediate effect.